HONORING WAYNE COUNTY MEDICAL SOCIETY FOR 150 YEARS OF SERVICE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1999

Mr. DINGELL. Mr. Speaker, I rise to honor and congratulate a medical society which has provided quality service to Detroit, Wayne County, and the State of Michigan for the last 150 years.

On April 14, 1849 with just 50 physicians, the Wayne County Medical Society was founded. Today, with more than 4,200 physicians in their membership, they continue to provide Metropolitan Detroit with the highest caliber of service and outstanding commitment to those in need.

As they celebrate their sesquicentennial anniversary, the Wayne County Medical Society has labored to promote and encourage the unity and loyalty of the physicians of the community into a strong and cohesive medical society. They have brought into one organization the physicians of this county and with other county societies to form the Michigan State Medical Society and the American Medical Association.

This beloved medical society provides continuing medical education for physicians, and maintains a program of educational service to the public on health and scientific matters. But, most of all they insure that a patient's freedom to choose a physician be maintained, and that patients receive the highest quality of medical care.

Over the years the Wayne County Medical Society has had a positive impact on the public health of both Detroit and Wayne County. One of its most memorable accomplishments came under the direction of its former president, Dr. Francis P. Rhoades, who led a polio immunization drive which immunized thousands of Detroiters and virtually eliminated the threat of this crippling disease.

Today, the Wayne County Medical Society runs a free medical and dental clinic at the Webber School in Detroit. Every child is afforded free services including physical examinations, health education, dental fluoride, sealants and prophylaxis. In addition they organized an annual Christmas Party for children in foster care. Last year, they sponsored a teen pregnancy conference with more than 500 Detroit Public School children in attendance.

Mr. Speaker, it is with great honor and pride that I pay tribute to this exceptional medical society whose tradition of assisting those most in need is truly a part of Michigan's great history. I ask that all of my colleagues join me in recognizing the Wayne County Medical Society of Michigan on their 150th anniversary.

PERSONAL EXPLANATION

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1999

Mrs. MYRICK. Mr. Speaker, I missed 19 recorded votes while I was out due to illness. If I had been present, my vote would have been cast as follows.

MARCH 17, 1999

Rollcall vote 53, on agreeing to Mr. Upton's amendment, I would have voted ''yes.''

Rollcall vote 54, on agreeing to Mr. LoBiondo's amendment, I would have voted ''yes.''

Rollcall vote 55, on passage of the Coast Guard Authorization Act of 1999, I would have voted ''yes.''

Rollcall vote 56, on passage of the bill to provide for a Reduction in the Volume of Steel Imports, I would have voted ''yes.''

MARCH 18, 1999

Rollcall vote 57, on agreeing to the Rule regarding the National Missile Defense System, I would have voted ''yes.''

Rollcall vote 58, on the motion to recommit with instructions, I would have voted ''no.''

Rollcall vote 59, on passage of the National Missile Defense System, I would have voted ''yes.''

MARCH 23, 1999

Rollcall vote 66, on agreeing to the Committee Funding Resolution, I would have voted ''yes.''

Rollcall vote 65, on the motion to recommit the Committee Funding Resolution with instructions, I would have voted ''no.''

Rollcall vote 64, on the motion to instruct Conferees for the Education Flexibility Partnership Act, I would have voted ''no.''

Rollcall vote 63, to suspend the rules and pass H. Con. Res. 37 Concerning Anti-Semitic Statements Made by Members of the Duma of the Russian Federation, I would have voted ''yes.''

Rollcall vote 62, to suspend the rules and pass H. Con. Res. 56 Commemorating the 20th Anniversary of the Taiwan Relations Act, I would have voted ''yes.''

Rollcall vote 61, to suspend the rules and pass H.R. 70 the Arlington National Cemetery Burial Eligibility Act, I would have voted ''yes.''

Rollcall vote 60, to suspend the rules and pass H. Res 121 Affirming the Congress' Opposition to All Forms of Racism and Bigotry, I would have voted ''yes.''

MARCH 24, 1999

Rollcall vote 67, on agreeing to Mr. Stenholm's amendment, I would have voted ''no.''

Rollcall vote 68, on agreeing to Mr. Obey's amendment, I would have voted ''no.''

Rollcall vote 69, on agreeing to Mr. Tiahrt's amendment, I would have voted ''yes.''

Rollcall vote 70, on passing of the Emergency Supplemental Appropriations of FY 1999, I would have voted ''yes.''

Rollcall vote 71, on agreeing to the Resolution Expressing support of the U.S. House of Representatives for the members of the U.S. Armed Forces engaged in military operations against the Federal Republic of Yugoslavia, I would have voted ''yes.''

APPOINTMENT OF CONFEREES ON H.R. 800, EDUCATION FLEXIBILITY PARTNERSHIP ACT OF 1999

SPEECH OF

HON. DANNY K. DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1999

Mr. DAVIS of Illinois. Mr. Speaker, I rise in strong support of the Clay motion to instruct. Mr. Speaker, the Ed-Flex bill in its current form lacks the efficiency and accountability needed to protect what took two decades to correct. Mr. Speaker, America understands that all students benefit where there is an appropriate ratio of students to teachers. Therefore, I echo America's call and ask that this Congress support initiatives to reduce class size by providing 100,000 new, qualified teachers.

I believe we can do both, support class size reduction, IDEA, and support local control of education. Some of my colleagues suggest we should just vote for the Ed-Flex bill and decide on the other matters during other discussions. But as I listen to the debate here we are not talking about one bill or one instance, we are deciding the direction this nation will follow for the next millennia. I am aware of the attempt to cut funding from K–12 programs to pay for the recommended increase in IDEA. Let's not disguise these attempts by suggesting we should only deal with what is in front of us.

Mr. Speaker we must debate these issues now because we may never have another chance. I submit that this bill will affect all programs that I support. Programs like IDEA, Title I, help for disadvantaged students, Safe and Drug Free Schools and Communities, Technology for Education programs, Innovative Education Strategies (Title VI), Emergency Immigrant Education, and the Perkins Vocational Education Act.

Let's not play politics. Let's get together and include a real bill for our children. I urge all members not to support this bill and support the Clay motion to instruct.

TRUTH IN LENDING MODERNIZATION ACTION OF 1999

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1999

Mr. LAFALCE. Mr. Speaker, today I am introducing legislation to update key provisions of the Truth in Lending Act, some of which have not been revised by Congress since the Act's passage in 1968. The ''Truth in Lending Modernization Act of 1999'' will restore important consumer protections that have been weakened by inflation and assure that outdated, anti-consumer accounting practices are eliminated. This legislation is strongly supported by the Consumer Federation of America, Consumers Union, the National Consumer Law Center and by the U.S. Public Interest Research Group.

Congress has given considerable time and attention in recent sessions to modernizing our nation's banking laws to free financial institutions of outdated restrictions that date back to the 1930s. I believe it is time for Congress to give equal attention to modernizing the cornerstone of consumer credit protection—the Truth in Lending Act (TILA).

Congress enacted TILA in 1968 to assure that consumers receive accurate and meaningful disclosure of the costs of consumer credit to enable them to compare credit terms and make informed credit choices. Prior to that time, consumers had no easy way to determine how much credit actually cost nor any basis for comparing various creditors. What little useful information consumers did receive

was typically buried in fine print or couched in legalese. TILA addressed these problems by providing a standardized finance cost calculation—a simple, or actuarial annual percentage rate (APR)—to provide a comparable calculation of total financing costs for all credit transactions. It also required creditors to provide clear and accurate disclosure of all credit terms and costs.

Over the past thirty years, TILA has played a dual role in the financial marketplace. It has been the primary source of financial consumer protection, recognizing the rights of consumers to be informed and to be protected against fraudulent, deceitful, or grossly misleading information and advertising. It has also stimulated market competition by forcing creditors to openly compete for borrowers and by protecting ethical and efficient lenders from deceitful competitors. Congress believed in 1968 that an informed consumer credit market would help stabilize the economy by encouraging consumer restraint when credit costs increase. The need for an informed consumer market is as important today as it was thirty years ago.

Unfortunately, key consumer protections and remedies that Congress stated in dollar amounts in 1968 have not been updated to provide comparable protections today. The effects of thirty years of inflation have permitted increasing numbers of credit and lease transactions to fall outside the scope of TILA protections and have weakened the deterrent value of the penalties available to injured consumers. The Truth in Lending Modernization Act that I am introducing today would remedy these problems in several important areas.

TILA disclosure requirements and protections currently apply to all credit transactions secured by home equity and to other non-business consumer loans under $25,000. In 1968 this $25,000 limit on unsecured credit transactions was considered more than adequate to ensure that most automobile, credit card and personal loan transactions would be covered. This is clearly not the case today, particularly in the area of automobile loans. A January Washington Post article estimated that the average price of new automobiles sold today is $22,000. This means that increasing numbers of automobile transactions are falling outside the scope of TILA, with no requirements to provide consumers with full and accurate credit disclosure. Many consumers also routinely receive offers of unsecured credit and debt consolidation loans that can easily approach or exceed $25,000. These transactions also will increasingly fall outside the scope of TILA.

The Congressional Budget Office estimates that the value of the dollar has declined by 75 percent since 1968, which means that it would require an exception over four times larger than the $25,000 in the 1968 Act (or over $108,000) to provide a comparable level of exempted transactions today. However, this fully adjusted amount is clearly excessive for today's marketplace. My bill would double the amount of this statutory exception, from $25,000 to $50,000, to assure that all typical credit transactions will continue to be accorded TILA protections.

A similar problem exists with the transaction exemption in the Consumer Leasing Act sections of TILA that restricts application of consumer disclosure and advertising requirements only to leases with total contractual obligation below $25,000. Again, this was considered more than adequate when Congress enacted the Consumer Leasing Act in 1976, but it is clearly inadequate today, particularly for automobile leases. Congress could not have anticipated the enormous role of leasing in our current auto markets. Leases now account for over 40 percent of all new automobile transactions, and an even more substantial percentage of transactions involving high-end luxury automobiles. My bill would assure that increasing numbers of automobile leases do not fall outside the scope of TILA by increasing the level of exempted leases from $25,000 to $50,000.

As a primary enforcement mechanism, TILA provides individual consumers with a right of action against creditors that engage in misleading or deceitful practices. Creditors that violate any TILA requirement are liable for actual damages, additional statutory damages and court costs. TILA permits statutory damages, in credit transactions of twice the amount of any finance charge and, in lease transactions, of 25 percent of the total amount of monthly payments under the lease. In both instances, however, these damages are limited by the requirement that damages ''not be less than $100 nor greater than $1,000.

These statutory liability provisions were included in the statute in 1968 to provide ample economic incentive to deter violations. This is clearly not the case today. From my own analysis of abusive automobile leases, for example, I find that a clever and unethical dealer can easily exact thousands of dollars just in the initial stages of an auto lease, simply by not crediting trade-ins, adding undisclosed fees and including higher finance charges than disclosed to the consumer. A $1,000 maximum statutory damage clearly would not deter these and other actions that can cheat consumers out of thousands of dollars over the term of a loan or lease. My bill would increase the statutory damage limit to $5,000 for both credit and lease transactions.

It would also raise the statutory damages available to consumers in class action litigation. Currently, TILA limits statutory damages in class actions that arise out of the same violation to the lesser of $500,000 or 1 percent of the creditor's net worth. For most of today's financial corporations this $500,000 limit represents a fraction of 1 percent of their net worth. The bill would raise this statutory damage limit to $1 million for all credit and lease transactions.

Finally, my bill seeks to prohibit in credit transactions a little known accounting procedure, known as the Rule of 78, that is used whenever possible by creditors because it maximizes interest income to the creditor at the expense of consumers. TILA requires that consumers receive a refund of any unearned interest on precomputed installment loans when they prepay or refinance their loan. Until recently, most creditors used Rule of 78 accounting for calculating these refunds, a method that heavily favors creditors by counting interest paid in the early phases of the loan more heavily than actuarial accounting methods. While justified in the 1930s as helping to reduce costs of computing interest, modern calculators and computers have rendered the Rule of 78 obsolete and unjustifiable. It serves no other purpose today than to maximize interest income to creditors.

Bank regulators and the IRS have banned banks from using the Rule of 78 in reporting interest income. In 1992 Congress prohibited its use in calculating interest refunds on mortgages and other installment loans with terms over 61 months. In 1994, the Home Owners and Equity Protection Act ended the use of Rule of 78 accounting in all high costs home equity loans. My bill would complete the task of eliminating Rule of 78 accounting in all remaining consumer credit transactions by prohibiting its use for calculating consumer interest refunds for precomputed installment loans with terms of less than 61 months, and also be requiring that creditors compute interest refunds using methods that are as favorable to the consumer as widely used actuarial methods.

Mr. Speaker, in enacting TILA Congress recognized the consumer's right to be informed and to be protected from deceitful and misleading credit practices. The ''Truth In Lending Modernization Act'' will assure that these basic consumer protections remain effective in the future. I urge my colleagues to join me as co-sponsors of this legislation and work with me toward its adoption.

IN HONOR OF SHIRLEY K. SMALL

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1999

Mr. McINNIS. Mr. Speaker, with a heavy and sad heart I take this moment to recognize the life and contributions of Shirley K. Small, one of five daughters of Paul and Lucille Krier.

Shirley was a strong and patriotic American. She took immense pride in being a home maker and mother to her children Robbie, Darcy and Amy. She brought her children up with strong reverence for our great country. Often she would discuss with me her concerns for the direction of our country, its needs and its accomplishments over time. Shirley was a graduate of the University of Colorado and was preceded in death by her husband John.

Shirley's children have moved on to their own success in western Colorado and they too share their parents' love of and dedication to our country. Shirley's children's success is not only realized with accomplished careers, but above all with wonderful spouses and children of their own.

Even in the twilight of her life, Shirley took on her terrible disease with vigor and determination. In her last months, she attended numerous medical clinics, not for her own sake, but in the hopes she could help provide information that would lead to the cure of the disease that promised to take her life. Shirley willed her body to science so that doctors could continue to seek out a remedy for the infirmity that ailed her once she passed.

Mr. Speaker, I am proud to have been Shirley's Congressman and nephew. Her unconditional love for family and country will be greatly missed.